

ENVIRONMENTAL AND SOCIAL IMPACT POLICY

Objective

The objective of this Policy is to set forth the principles to be considered with respect to assessment and management of the environmental and social impacts that may result from the activities of İş Finansal Kiralama A.Ş. (Company).

Scope

This Policy applies to all employees in headquarters and branch units of the Company and to their activities.

Principles and Procedures

1. The Company undertakes to carry out all of its activities in a socially and environmentally conscious manner and to decrease its adverse impacts on the environment and therefore aims to improve its performance in the fields of energy consumption, water consumption, waste generation and greenhouse gas emission and constantly records its consumption data.
2. The Company aims to provide fair, equal, inclusive, healthy and safe work environment to its employees where the diversities are supported.
3. The Company aims to provide support for the social responsibility projects that foster sustainable development and social progress, that are aligned with the needs of the country, mainly in the fields of education, environment and arts and culture.
4. The Company monitors the compliance of all the projects supported and financed by the Company with its policies made public to its stakeholders. Furthermore, the Company undertakes not to finance, regardless of any amount or any condition, the activities included in “List of Activities not to be Financed” specified within the scope of Article 4 of this Policy. The Company evaluates the potential environmental and social risks and impacts arising from the leasing activities above a specific amount within the scope of Environmental and Social Management Plan and within the context of national and international law, regulations, standards and good practices and develops action plans, when deemed necessary, to reduce these impacts according to the specified risk level during the leasing period and monitors the activities of investor firms (customers).
5. The Company monitors the compliance of business and working conditions of the investor firms (customers) with national and international legislations and standards, to which Turkey is a party,

in leasing operations; promotes the implementation of the stakeholder engagement and complaint mechanism of the customers with the objective to prevent and reduce the risks that may occur in terms of human rights, community health, safety and security.

6. The Company ensures the submission of demands, suggestions and complaints of the parties affected, whether directly and/or indirectly, by the activities of the Company through phone number and e-mail address available on the Company's website or through forms which are available on website and at branches; and further ensures the examination and management of all notifications in details.
7. To raise awareness and increase the consciousness level, the customers, suppliers and all other stakeholders are informed of environmental and social issues and are encouraged to develop sustainability applications.
8. The Company follows up the developments, national and international regulations and standards on a global scale concerning the environmental and social issues and monitors the improvement and development studies in its field of activity to fulfill its obligations.
9. Environmental and Social Impact Policy is regularly reviewed and updated at least once a year in line with the changes in requirements and operating conditions with a continuous development point of view.
10. Sustainability Unit is responsible for the updating of the Policy. Updates and amendments which are deemed necessary enter into force following the approval of the Board of Directors.
11. The auditing of the compliance with the Policy provisions is performed within the scope of internal audit.

List of Activities not to be Financed

- Activities involving the dangerous and exploitative forms of forced labor / child employment and acts and conducts violating the human rights.
- Any project that restricts individuals' personal rights or violates human rights.
- Production of weapons of mass destruction and land mines.
- Production and / or trade of any product or activity prohibited pursuant to the national legislation and international agreements to which Turkey is a party, such as:
 - a) Production or trade of products which contain PCB (Polychlorinated Biphenyl),

- b) Production and trade of drugs, pesticides, herbicides and other hazardous substances which are internationally prohibited pursuant to international agreements (Rotterdam Convention, Stockholm Convention),
 - c) Production and trade of substances/materials that damage the ozone layer, which are internationally prohibited pursuant to international agreements (Montreal Protocol),
 - d) Production, commercial use, storage, transport and trade of the products containing unbonded asbestos fiber.
- Cross-border trade of waste and waste products prohibited by Turkish or international laws.
 - Activities that are carried out in wetlands that are identified as RAMSAR Zones (Wetlands of International Importance).
 - Activities which threaten the cultural heritage qualities of the places included in UNESCO World Heritage List and activities involving significant change, damage or eradication of significant cultural heritages / disputes with respect to significant cultural heritages.
 - Wild life trade, production or trade of wild life elements and products governed by CITES Agreement (Convention on the International Trade in Endangered Species of Wild Flora and Fauna).
 - Activities which are related with pornography or prostitution.
 - Transportation of oil and other hazardous substances via tankers that do not comply with the requirements of International Maritime Organization (IMO, MASPOL, SOLAS and MOU).
 - Production or trade of radioactive products (other than the circumstances where the use of medical equipment, quality control devices and radioactive substances extremely limited or where adequate level of protection is provided)

Entry into Force

This Policy has entered into force on 24.06.2021 following its approval by the Board of Directors.